

# Diversity transforms a nation

**Every day at the jobsite is a major meeting of cultures as workers from several countries build a railway project for AcelorMittal**

WRITTEN BY **Eliana Simonetti**

PHOTOS BY **Holanda Cavalcanti**

WE'RE IN LIBERIA, WHERE TWO PROJECTS ARE CURRENTLY underway for the world's largest steel maker, ArcelorMittal. One thousand Liberians are working at the jobsite, along with about 60 people from 18 other countries, including Kenya, Cameroon, Croatia, the UK, Colombia, the US, Lebanon and India. Numerous cultures and beliefs coexist there in perfect harmony: Roman Catholics, Evangelical Christians, Muslims and Mormons. Some are vegetarians and others only eat the meat of certain animals. Still others can't do without a good steak or a nice plump pork chop – preferences that the chef, who was born in Morocco, does his best to please. There are people with master's degrees and doctorates, and others with high-school diplomas.

But they all have some things in common – a taste for a challenge, a love of hard work, and fluent English, which is essential for communication. They also share a philosophy, the Odebrecht Entrepreneurial Technology (TEO), which they are assimilating through educational programs and daily experience on the job, from the time they join the company. This gives them a sense of belonging. They are all on the same team.

In this atmosphere of diversity and unity, Odebrecht is carrying out studies, planning and managing an iron mining project in Liberia. As a result of these efforts, the company is also restoring virtually half of Liberia's railway infrastructure: 243 km of tracks connecting the existing iron ore reserves in Yekepa (Nimba County), on the border with Guinea and Ivory Coast, and Port Buchanan (Gran Bassa County), which have been abandoned for 20 years and need to be entirely rebuilt.



## DISCOVERIES AND REVELATIONS

The ArcelorMittal jobsite is three hours from Monrovia, the Liberian capital, in a coastal area covered by tropical rain-forest. Taking a walk through the area where Odebrecht's people are installed is a unique experience. For example, there is a porch with tables and chairs outside the dining hall. Every evening, an American and an Indian or a Brazilian and a Ukrainian, get together there to play chess. Curious Europeans converse with young Indians who have graduated from US universities, trying to understand why they would agree to marry women they have only seen in a photograph, and who were chosen by their families. "I'm certain that my parents, who know me very well, will know who is the right person for me," says a young Indian engineer with perfect aplomb. His wedding is scheduled for February.

The Jurcics – Vlado (born in Herzegovina) and Pierrette (Canadian) – celebrated their 25th anniversary in August 2008. After their two daughters graduated from college and went off to live on their own, the couple decided to work side by side in Liberia. "We're rekindling our romance," says Pierrette.

This exchange of experiences is leading to some unique and curious solutions. For example, there wasn't any hot water in some homes, where people from several parts of the world are living while working in Liberia. For some, this was not a problem, but many people complained – and they held a meeting to discuss whether to invest in boilers, or gas or coal water heaters. But then the Brazilians suggested installing electric showerheads in their homes. These devices are commonplace in Brazil, but little known in other countries. Everyone liked this simple solution, and the installa-



[ Multicultural team: standing, from left, Wroto Barcon (Liberia), Nizar Honejmeh (Lebanon), Mohammad Almeqdad (Jordan), Thomas Peters (Liberia), Stacie Ferguson (United States), Tanwi Relindis Tifuh (Cameroon), Peter Morsay (Sierra Leone), Margaret John (Kenya) and Nikhil Agarwal (India); kneeling, Pierrette Jurcic (Canada), Grey Muromo (Zimbabwe), Omar Daiha (Brazil), Steve Buntin (Scotland), Tino Soco (Croatia) and Tomislav Bisko (Bosnia) ]

tion of electric showerheads was immediately approved. In a few weeks, everyone was able to take a hot shower.

### PRODIGAL CHILDREN

The group of roughly 60 expats working for Odebrecht in Liberia is made up of people who already work or worked for the Group at some time, somewhere else in the world, and were either called in or volunteered to take part in this project. Michael Jackson is British, and joined Odebrecht 11 years ago. Since then he has worked in the United Arab Emirates, Pakistan, Malaysia, Oman, Iraq, Ghana, Angola and Libya, among other places, before arriving in Liberia.

This group also includes two American brothers, Richard and William Bishop, who had never left California, where they worked for Odebrecht on the Seven Oaks Dam project in the early 90s, before they were invited to go to Liberia. They took William Bishop Jr., 29, father of two, along with them.

"Odebrecht is a great company and we are happy to have an opportunity to work here again. Furthermore, we are having a chance to discover different cultures and broaden our horizons," says William Bishop, Senior. He clearly feels at home in his new environment. Wherever he goes, the Liberians wave and call his name: "Bishop! Bishop!" Bill waves back. "They are a very welcoming people."

Inês Siqueira is a Brazilian architect with a Canadian Master's degree who joined Odebrecht in Miami six years ago. When she heard about the work opportunity in Liberia, she didn't think twice. As soon as she got the invitation, she locked up her Miami Beach apartment, took a plane, settled in and got to work.

### REBUILDING FACILITIES AND SELF-ESTEEM

Many of the Liberians working on the project are having their first experience of a steady job and a monthly paycheck. The war (see box) destroyed much more than buildings and roads in Liberia. Lacking the basics, like electricity, toys and vehicles, many people were unable to get a formal education and now have a hard time learning to operate simple equipment. Odebrecht is bringing in specialized professionals from South Africa to teach them the necessary skills.

"Odebrecht is doing much more than building a project. It is engaging in a broader program that will help rebuild people's self-esteem," says Pedro Paulo Tosca, the Project Manager for the railway. He joined Odebrecht in 1985, and spent three years in Peru and one in Kuwait before going to work on the Group's projects in the USA in 1991. While there, he got married and had a child. Now, he is in Liberia.

A specialist in Human Resources, Wachen Itoka spent eight years away from her home country, living in a refugee

camp in Ivory Coast to escape the war. She returned when peace was restored. Early this year, she left Monrovia, where she lived, and rented a house in Buchanan, the city closest to her workplace. The mother of Pearl, 7, and Ophelia, whom she adopted when she saw the young girl wandering alone in the streets, and whose exact age is unknown, she believes that her life has improved dramatically. "At Odebrecht, I feel like I'm part of a family where responsibilities, rights and obligations are clearly shared," she explains. She plans to paint her new home, buy furniture, and give her daughters a chance to study and develop.

Other Liberians whose lives were interrupted by years of civil war have a gleam of hope in their eyes. This is the case with Joseph Gardner, 40, the father of three, who studied Administration and Accounting for three years but had to cut short his studies. After the war, he worked on a program for the National Commission for Disarmament, Demobilization, Rehabilitation, and Reintegration (NCDDRR). "I felt like I was wasting my time. I like different settings and fresh challenges, and that is what I've found at Odebrecht," he says.

A keen observer of everything that goes on at the camp, Malvinder Singh is the General Project Manager Rail Road of ArcelorMittal. An engineer born in New Delhi, India, and the father of two daughters, he has worked in Iraq, Kuwait and Malaysia. He has been with ArcelorMittal, in Liberia, for the last two years. "This is a country that is developing and where investments are arriving. We have formed a fine-tuned and dedicated team with Odebrecht in which everyone understands the difficulties and makes the necessary adjustments to achieve the goals we've set for ourselves. It is a rich and rewarding experience. We are all learning and contributing," he says, adding: "ArcelorMittal is one of the biggest companies in the world. It is multinational and multicultural." Singh is a member of the Sikh religion, the third-largest faith in India.

### **ARCELORMITTAL**

The world's largest steel maker, ArcelorMittal has 320,000 employees in over 60 countries, produces over 100 million tonnes of steel per year (three times as much as its closest competitor, Nippon Steel of Japan) and is growing non-stop. In the first half of 2008, its net profit totaled USD 8.2 billion, up 65% compared with the same period in 2007.

Its history dates back to the 1970s, when Lakshmi Niwas Mittal, who was born in a desert town without electricity in India, and earned degrees in Foreign Trade and Accounting in Kolkata, bought a small steel laminating machine in Indonesia. His company grew to become the largest supplier for the construction industry in all of Asia.

Over the years, the company's enterprising founder acquired mills in Trinidad & Tobago, Mexico, Brazil, Argentina, Costa Rica and several other countries, a process that culminated in 2006, when Mittal announced a merger with the group that was previously the second-largest steel maker in the world: Arcelor, founded in 2002 through the merger of Usinor of France, Arbed of Luxembourg and Aceralia of Spain. The union of Arcelor and Mittal produced a gigantic group with an estimated market value of 33 billion euros.

The group plans to invest USD 5 billion per year to grow its businesses by 2012. ArcelorMittal's current strategy involves increasing iron ore production to meet the growing demand for steel and become self-sufficient. Therefore, among others, it has mining projects in China, India and Senegal as well as Liberia.

The CEO of ArcelorMittal Liberia, Joseph Matthews, explains that the company was looking for a good partner to carry out the iron mining project in that country. "We talked to several companies, but we were particularly impressed by the track record of Odebrecht, which is fast and efficient and has established an excellent network of relationships that can bring people to Liberia from all over the world – that was essential, because there aren't enough Liberian professionals with specialized job skills and we wanted to get to work right away."

Two months after the contract was signed in February 2008, Odebrecht was already on site and starting to mobilize its teams. By May, there were 1,000 people working on the project. The client set a challenge: in 28 months, the railway should be in good enough condition for trains to carry 25 million tonnes of iron ore per year. "The opportunity to combine the experience of Odebrecht's and ArcelorMittal's teams on an extremely challenging project that is marking the beginning of a new era of development for Liberia was highly motivating for us," says Miguel Peres, Odebrecht's CEO for Liberia and Mozambique.

## THE PROJECTS

ArcelorMittal and Odebrecht have signed two contracts. The first is for an EPCM (Engineering, Procurement and Construction Management) project that includes studying, planning and managing the mining operation for Liberian iron ore – which involves assessing the existing infrastructure facilities and the amount of refurbishing required (including the port, railway, thermal power plants and iron ore processing and concentrating plants).

“In April 2007, ArcelorMittal invited international companies to take part in this challenge, introducing the Liberia Project at its headquarters in Luxembourg. Odebrecht tendered a bid and won because of its streamlined budget and proposal for quality assurance,” recalls Alexander Christiani, the Project Director for the EPCM contract. He has been with Odebrecht since 1990 and has worked in Colombia, the US, Mozambique and Iraq, as well as his home country, Brazil.

The other project, an offshoot of the first, involves restoring the railway that will make it possible to exploit the iron ore found in the interior of the country. Since the beginning of the year, Odebrecht has been refurbishing roads and bridges, building drainage structures, installing sleepers and laying track. It is also preparing Liberians to do the job.

“Liberia used to be one of the world’s leading suppliers of iron ore, and it had a terrific company, a Swedish-American group, the Liberia-American Mining Company (LAMCO), but all that was abandoned and destroyed during the war. ArcelorMittal has won a government concession to use these assets,” explains Odebrecht Project Director Paulo Brito. “However, in addition to the reconstruction required to carry out the concession, we want to establish good relationships with the local communities to prepare them for the impact that the fully operational railway will have on their daily lives.”

## LIBERIANS

That is why, on every stretch of the railway, the company is hiring people from nearby communities to install the sleepers on the tracks. The men (47 per community) work directly on the railway. Local women (three per community) are also hired to cook meals for the men. For every

day worked, each of them receives a kilo of rice and the equivalent of one US dollar to pay for their meals, in addition to monthly wages.

This effort to establish closer relations with the Liberian people – particularly rural communities – has involved some picturesque incidents. Since there are no means of transportation along the entire route of the railway, people go everywhere on foot. They used to use the abandoned railway tracks to transport goods like bananas and cassava from one community to another. In recent years, wooden pushcarts were installed on the tracks to make transportation easier.

That worked well for the rural communities, but got in the way of the work being done for ArcelorMittal. After careful observation and lengthy negotiations, Odebrecht’s people found a solution: they replaced the hand-made contraptions with wheelbarrows. The pushcarts are now being used to transport sleepers while the construction project is underway. This solution has freed up the tracks, and the Liberians are now the owners of “vehicles” that can be used on the road that runs alongside the railway.

## NEW HORIZONS

There is another reason for the major investments that ArcelorMittal plans to make. The company wants to verticalize production. In addition to supplying steel plates, spools and pipe, it is also beginning to supply materials to other sectors of the civil construction and automotive industries. The group also intends to expand its portfolio of products and services and broaden its distribution network.

In Brazil, the group controls Siderúrgica Belgo Mineira, Vega do Sul, Acesita and Companhia Siderúrgica de Tubarão. It owns the iron ore reserve of Mineração Brasileira de Ferro in Caetité, Bahia. In late August, ArcelorMittal also acquired London Mining Brasil, which operates iron mines in the state of Minas Gerais; purchased 70% of Manchester Tubos e Perfilados, a steel processor and distributor based in Contagem, Minas Gerais; and sealed a deal with the Canadian firm Adriana Resources to develop port facilities in Rio de Janeiro to transport iron ore. Previously, in April, it acquired 50% of Gonvarri Brasil, which manufactures parts and components for the automotive industry.



## “The love of liberty brought us here”

“Land of freedom.” That is the meaning of the name Liberia, the only country in West Africa that was never a colony of western nations. Founded in 1847 by the American Colonization Society, an organization established in the United States to create a home for slaves freed in that country and avoid racial strife, Liberia was born a republic with a constitution inspired by that of the USA and the motto: “The love of liberty brought us here.” The name of its capital, Monrovia, is a tribute to James Monroe, who was President of the United States when it was founded.

Liberia’s history has been marked by conflict since its inception. This was due in part to the concentration of political power and wealth in the hands of the former slaves and their descendants (so-called Americo-Liberians). That situation was kept more or less under control, with occasional flare-ups, until 1980, when a coup led by Master-Sergeant Samuel Doe suspended the constitution and established military rule. Doe held power for 10 years in a regime marked by rising inflation, unemployment and human rights violations. In 1990, a civil war removed him from office.

Liberia’s next ruler was the leader of the rebel movement, Charles Taylor, a member of the minority Americo-Liberians (the former ruling class). This development exacerbated the civil strife in the country. In 1999, another civil war broke out, forcing Taylor to seek refuge in Nigeria in 2003 until he was arrested in 2006 and sent to the International Criminal

### LIBERIA BY THE NUMBERS

*Estimated data for 2007*

- AREA: 111,370 SQ.KM
- 3.49 MILLION INHABITANTS, 44% OF WHOM ARE UNDER 14
- POPULATION DENSITY: 27 PEOPLE PER SQUARE MILES/KILOMETER
- 111 CHILDREN PER 1,000 LIVE BIRTHS DIE BEFORE THE AGE OF 5
- LIFE EXPECTANCY: 44.70 YEARS
- 86% UNEMPLOYMENT RATE
- 58% ILLITERACY RATE
- 16 ETHNIC LANGUAGES. ENGLISH IS THE OFFICIAL LANGUAGE
- TOTAL GDP: USD 1.5 BILLION
- ANNUAL PER CAPITA GDP: USD 500
- 8.5% REAL ANNUAL ECONOMIC GROWTH RATE
- USD 1.2 BILLION IN EXPORTS PER YEAR, 40% TO GERMANY
- USD 7.1 BILLION IN IMPORTS PER YEAR, 43% FROM SOUTH KOREA
- 12,000 FIXED TELEPHONE LINES
- 1,000 INTERNET USERS
- 150,000 TV SETS

SOURCE: WORLD BANK



Court in the Hague, Netherlands, to face trial for alleged war crimes committed in neighboring Sierra Leone.

Estimates are that during 14 years of war, over 270,000 people died and hundreds of thousands were displaced internally and externally. During the war, the country’s economy and basic infrastructure were destroyed, including its roads, ports, factories and communications systems. Although endowed with natural wealth (fertile soil; minerals including iron, diamonds and gold; and rubber and wood), Liberia experienced a sharp descent into poverty, as periods of instability made it difficult to engage in productive activities.

Taylor’s ouster was followed by a two-year transitional government until presidential elections were held in October 2005. Ellen Johnson-Sirleaf was elected for a six-year term as the first democratically elected female president in continental Africa. She is nearly 70 years old, a widow and the mother of four. A former World Bank and United Nations Development Programme (UNDP) executive, Ellen Johnson-Sirleaf has introduced a program to improve transparency and make the best use of public funds. She has also taken steps to attract foreign investors and help rebuild the country.

According to the 2007 report from the United Nations Conference on Trade and Development (UNCTAD), between 2000 and 2004 Liberia’s economy recorded a negative growth figure of -9.6%. In 2007, however, the nation’s economy had recovered remarkably, reaching a positive figure of 8.5%. **o**





[ 1. Wachen Itoka with daughters Pearl (right) and Ophelia. 2. Workers aligning and laying track on km 28 of the railway. 3. Liberians hired by Odebrecht to work on the railway ]







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- [ 1. The Bishops, who had never been outside California before: from left, William Jr., Richard and William;  
2. Malvinder Singh, General Project Manager Rail Road of ArcelorMittal.  
3. Workers from local communities near km 28 of the railway transport sleepers with a pushcart.  
4. Odebrecht's Project Management Team: Nawwar Tajjar, Vlado Jurcic, Adriano Brasil (foreground), Pedro Paulo Tosca, Moisés Maimone, Paulo Brito (behind them), Paulo Emílio Brina and Ivan Salustino.  
5. Joseph Matthews, CEO of ArcelorMittal Liberia: taking part in a project for the world's largest steel maker ]